

**Iowa Telecommunications & Technology Commission  
Grimes State Office Building, 1st Floor  
400 E. 14th Street, Des Moines, IA 50319**

**FINAL**

**February 18, 2015**

To ensure the most efficient use of State resources, the February 18, 2015 ITTC meeting was held via telephone conference pursuant to Iowa Code section 21.8. A telephone conference also ensured more Commissioners were able to participate in the meeting and reduced the risk of delays caused by weather or other impediments to travel. The meeting was accessible to members of the public through attendance at the Grimes State Office Building.

**Commissioners Present**

Richard Bruner, Chair (on-site)  
Kathleen Kohorst, Member (via teleconference)  
Kelly Dolan Lange, Member (via teleconference)  
Tim Lapointe, Member (via teleconference)

**Commissioners Absent**

Mary Sellers  
Mary Mosiman

**Iowa Communications Network Staff Present:**

Richard Lombard, Executive Director  
Mark Johnson, Chief Operating Officer  
Deb Evans, Chief Financial Officer  
David Marley, Operations Manager  
Philip Groner, Business Services Manager  
Mike Cruise, Financial Manager  
Jontell Harris, Government Relations Director  
Jessica Jensen, Executive Administrator  
Karen Alessio, Secretary (Recorder/Minutes)

**Guests:**

Frank Hilton – Iowa Network Services (INS)

**Call to Order**

Chair Bruner called the meeting to order at 10:32 am. It was noted that a quorum of members was present for the meeting.

**Approval of January 15, 2015 Meeting Minutes**

Chair Bruner requested to wait until the March 19, ITTC Meeting to approve the January 15, 2015 Meeting Minutes.

**Old Business:**

**Voice Managed Services Update – Deb Evans**

Deb announced that ICN's Executive Director has approved the Statement of Work and that there is one more item to be negotiated before signing the contract. The language is clean and clear. The contract will be with Century Link and has been reviewed by the Attorney General (AG), Mark Johnson and Brian Clayton (Purchasing Agent). Once the one item has been cleared up, they are ready to sign.

**Chair Bruner** stated that this was another really big project that has been worked on for months. He stated that everything sounds like it is done and he commended Deb Evans and her team for their work.

## **Broadband Matters Update – Director Ric Lumbard**

Mark and Ric have been busy handing out many Broadband Matters information packets at the Capitol. The Twitter updates have been very active from all over the state. They have had meetings via Facebook where Iowans submit questions regarding Broadband and Ric has responded to those questions. The big take away for the Commission is that the ICN has been able to provide valuable information to Legislators as to what the Broadband story looks like in Iowa. The ICN has been able to do it in a position of answering questions (Q and A) and being able to do that in a technological perspective. The ICN has also been able to engage in this discussion as a subject matter expert. The ICN has been very encouraged by those processes and it has allowed the ICN to lift the Broadband conversation level to an additional layer of maturity. Director Lumbard feels that it was the right time and place for the ICN and whether it goes for a really long term or not ICN is utilizing Broadband Matters as a powerful tool during the Legislative process. Lori is out on maternity leave but the team is continuing the process of Broadband Matters and it is right on track for the ICN.

ICN has received input from Washington DC, from the National Telecommunications & Information Administration (NTIA) and FirstNet followers and many of the tweets have been retweeted at a national level. As a tool, it is carrying the conversation well.

## **New Business**

### **Finance Update – Mike Cruise**

- Review the Budget to Actual month ending January, 2015. No significant events to effect budget, but that will change due to Network Managed Services & Voice Managed Services.
- Overall net cash from operations, there is a net \$647,580 which is 145% above budget.
- Strong margins, all 3 lines of business and all are above budget.
- Video is 74.7% despite a 29% decrease in video hours
- Voice has a margin of 66.2% and is about where it was expected.
- Data margin is 76.3%
- Overall growth in revenue of 2.5% whereas no increase was budgeted for 2015
- Direct expenses overall were 22% below budget which contributed positively to the margin figures.
- Indirect operating expenses are 0.7% below budget
- General and administrative expenses are at 0.6% above budget
- Summary: Financials are doing well and there is a positive cash flow.

### **AEA Internet RFP – Phil Groner**

It is currently E-Rate season, which is December thru March and the ICN responds to approximately 1000 bids each year. As part of that E-Rate reimbursement process, the AEAs can issue a RFP for a specific service. ICN won the bid for the internet and aggregation services for \$2 million per year.

There is another RFP for the Department of Education (DOE) for video conferencing that is due next week. The ICN is responding to that RFP as well as the other bids that are available during this time.

**Q: Commissionaire Kohorst** – Is the contract that is being responded to business we already have and hoping to retain?

**A: Phil** – Yes it is current business.

**Q: Commissioner Lapointe** – Please clarify the process, I thought they were mandatory users. They still have to do an RFP and they don't have to obtain a waiver if someone else were to obtain the bid?

**A: Phil** – AEA's are certified users and if AEA's didn't choose ICN they would be required to come to the Commission and request waiver. The AEA's included that in the beginning of their RFP processes that a waiver is required upfront. Schools and libraries are not certified users. They are authorized users so they do not have to obtain a waiver, but they still have to go through the bid process.

## **Legislative Update – Mark Johnson**

There are quite a few subcommittees meeting right now and there are a few bills that are being watched. Some of those that are of special interest are the Governor's proposal on Broadband, [House Study 104](#), which will be in front of a House subcommittee. The Senate also has a version of the bill but it has been made clear that the House needs to move their version before the Senate will do anything.

Director Lumbard has presented at the House Commerce Committee and the House Joint Infrastructure Budget Subcommittee, where ICN's infrastructure appropriation originates. The leadership meetings finished when they met with Minority Leader Mark Smith in House.

Director Lumbard's confirmation is on the calendar and eligible as part of the En Bloc Calendar.

The first Committee Funnel Date is March 6th. Bills must be out of committee of first referrals. Senate bills have to be out of Senate Committee and House bills have to be out of the House Committee to stay alive.

## **Private Sector Reinvestment – Director Ric Lumbard**

There have been conversations with the Legislators including Broadband Matters so that messaging is clear and consistent. There has been communication so that all are on the same page. There has been some discrepancies regarding messaging such as a Private Sector carrier negatively describing the ICN but yet they seek peering relationships with the ICN. The public statements are not matching the relationships. The information was brought to the surface to detail the relationship between the ICN and the private sector.

The 2014 Annual Report provided the following information:

- 2010 – 63% was given back into the Private Sector by way of services or vendors. (Expenditures totaling \$27 million)
- 2011 - 68% was given back into the Private Sector by way of services or vendors
- 2012 - 62% was given back into the Private Sector by way of services or vendors
- 2013 - 70% was given back into the Private Sector by way of services or vendors
- 2014 - 69% was given back into the Private Sector by way of services or vendors

This is very valuable information the ICN collects by services and it goes back into the Private Sector. This information was shared with legislators to let them know that the ICN is a major investor in telecommunications providers in Iowa.

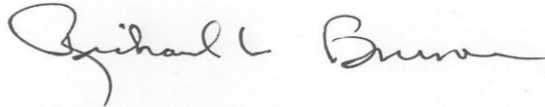
Director Lumbard then spoke about the Iowa FirstNet Public Private Partnership Summit on March 12. This is a major information sharing opportunity. The ICN will have the ability to lay out all the information we know regarding the FirstNet process. FirstNet is a long and continuous process. He believes that more than 70% of the project markers of the workgroup studies should be completed at the end of March. Then the ICN will let FirstNet know that the State of Iowa is ready for the second consultation. Things are changing in FirstNet and the ICN would like to lend any information they can with adjacent states as things come up.

## **Adjournment - Commission**

### **Adjournment**

Commissioner Kohorst moved that the meeting be adjourned. Sellers second the motion. The ITTC meeting adjourned at 10:58 am.

ATTESTED TO:

A handwritten signature in dark ink, appearing to read "Richard L. Bruner", is written over a light blue horizontal line.

---

Richard Bruner, Chair, Iowa Telecommunications and Technology Commission